

# Agricultural Situation

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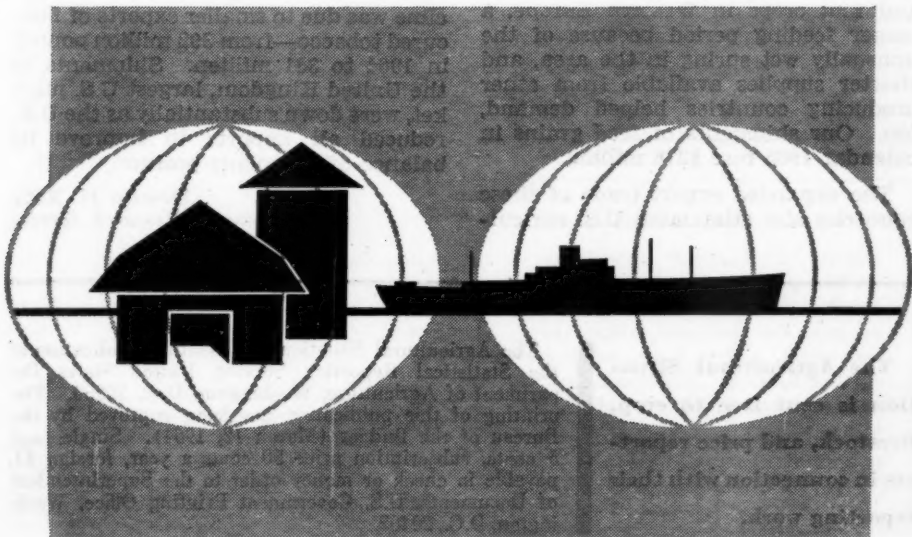
## AGRICULTURAL EXPORTS SAIL ON AND ON

Our agricultural exports totaled \$6.2 billion in calendar 1965, only slightly below the record \$6.3 billion in 1964.

Export gains over 1964 for corn, grain sorghums, rice, soybean, oilcake and meal, fruits, and hides and skins nearly offset declines for wheat and flour, cotton, tobacco, vegetables, lard, dairy products, and meats.

Commercial sales for dollars rose to \$4.8 billion last year, a new record compared with the previous mark of \$4.6 billion in 1964. Shipments under Government programs probably totaled about \$1.4 billion, down from \$1.8 billion in 1964.

Early in 1965, the longshoremen's strike at East Coast and Gulf ports af-



fects the pattern of trade for the year. Agricultural exports during January and February were nearly cut to half the \$1,066 million during the same months in 1964.

However, the effects of the strike were partly offset by larger anticipatory pre-strike exports and by expanded shipments after the settlement, particularly in March 1965. Nevertheless, first half exports of \$2.8 billion were considerably below the \$3.1 billion a year earlier.

Agricultural exports in July-December 1965 rose to a record \$3.4 billion from \$3.2 billion a year earlier. A substantial gain in exports of feed grains, rice, soybeans, fruits, and hides and skins accounted for the record. But shipments of cotton, lard, dairy products, cottonseed and soybean oils fell sharply from year-earlier levels.

Rapid economic growth in the industrial countries of Western Europe, and in Japan and Canada, continued to help boost our agricultural exports last year. Industrial production rose 4 percent in Western Europe and 8 percent in Canada. However, the gain in Japan slowed to 1 percent because of its economic recession during 1964.

Growth in the industrial nations resulted in a further rise in the incomes of their citizens during 1965. So, the demand for meat grew stronger, stimulating U.S. exports of feed grains, soybeans, protein meal, and inedible tallow. Smaller production of feed grains and root crops in Western Europe, a longer feeding period because of the unusually wet spring in the area, and shorter supplies available from other producing countries helped demand, too. Our shipments of feed grains in calendar 1965 rose \$278 million.

The expanded export trade of these countries also stimulated U.S. agricul-

tural exports. Total exports from Western Europe to all areas during January-September 1965 were up 11 percent from a year earlier. Those from Japan rose 34 percent, but Canadian shipments gained only 1 percent.

Here are export details for some commodity groups:

**Cotton**—Shipments fell to 3.8 million bales from the 5.2 million a year earlier. The decline reflected increased competition from expanding world production, the continued rise in output of manmade fibers, and the working down of stocks in major importing countries. U.S. exports accounted for about a fifth of world trade in 1965 compared with 30 percent in 1964.

**Grains and preparations**—Exports totaled \$2.6 billion in 1965, down from \$2.7 billion the previous year. This reflected a decline in shipments of wheat and flour. The value of wheat flour exports declined nearly \$350 million, about offsetting the substantial rise in shipments of feed grains and rice.

**Oilseeds and products**—Export value totaled \$1,157 million last year compared with \$1,001 million in 1964. All major categories except flaxseed gained. This was the fourth year in a row of gains in the export value of oilseeds and products.

**Tobacco**—Shipments of unmanufactured leaf in 1965 totaled 468 million pounds, 514 million in 1964. The decline was due to smaller exports of flue-cured tobacco—from 392 million pounds in 1964 to 351 million. Shipments to the United Kingdom, largest U.S. market, were down substantially as the U.K. reduced all imports to improve its balance-of-payments position.

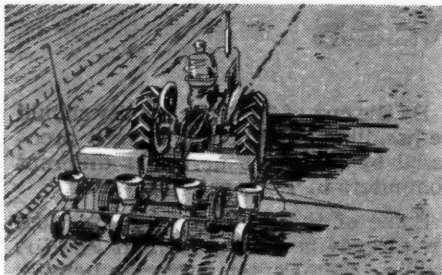
Dewain H. Rahe  
*Economic Research Service*

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## From Horse to Tractor to ...



More tractors. Fewer horses and mules. These general trends in farm power are so familiar that many of us rarely think about them. But times will continue to change and farm power in the future will be different from now.

Farmers a decade or two ahead likely will use less labor and mechanical power, about the same or slightly less tractor power, and more electrical power.

Farmers will buy around 100,000 new tractors in 1970, according to a USDA estimate. These machines will provide about 8 million horsepower. In recent years, farmers bought about 150,000 new tractors annually—equivalent to about 7½ million horsepower.

This estimate of future tractor purchases depends on several things, including: (1) a 15-percent gain in crop production; (2) a 7-percent gain in the price of tractors relative to prices received for farm products; (3) a gain in the average size of new tractors from 54.5 horsepower to 80 horsepower; and (4) a decline in farm numbers from 3.7 million to 3.3 million.

About 40 million horsepower of all kinds was available for use on farms in the early 1920's. More than half of it was from horses and mules, about an eighth from tractors. The rest came from farmworkers, steam engines, gasoline engines, farm trucks, electric plants, windmills, and engines mounted on harvesting equipment.

By 1962, farm power totaled around 265 million horsepower—seven times as great as in 1920. Tractors and trucks accounted for most of the gain, with 140 million and 90 million horsepower in 1962.

## PUSHING BUTTONS

Meanwhile, the number of horses and mules dropped from 26 million to 3 million. And farmworker numbers took a nosedive. Now there are less than 6 million annually, about half the 1920 figure.

In recent years, purchases of new tractors have been leveling. They really amount to replacement buying, although the newer tractors are more powerful, which accounts for the continued uptrend in total tractor horsepower. New sales annually are about equal to or less than the number scrapped.

Instead of buying more tractors to meet their power needs, farmers have been turning increasingly to self-propelled harvesting equipment and electrical power. Much harvesting equipment now is self-propelled. Over half the combines in use are self-propelled; similar types of cornpickers and forage harvesters are common. Altogether, this equipment provides farmers about 5 million horsepower.

Use of electrical power on farms has been gaining rapidly for such jobs as grinding feed, cleaning gutters in dairy barns, unloading silage, drying grains and roughages, and feeding livestock. Roughly 7 million horsepower is available to farmers from electric motors, in addition to the 3 million used for other work, such as heating water and providing light.

Austin Fox  
*Economic Research Service*

### LESS MUSCLE

An average of 5,610,000 people worked on farms during 1965. This was an 8 percent decline from a year earlier, the sharpest drop on record for any 1 year. Farm employment reached a peak of 6,872,000 during the June survey week.

For the past 5 years, numbers of hired workers have been declining faster than family workers.

# NEW COMPUTER CENTER OPEN FOR BUSINESS

On April 1, Secretary of Agriculture Orville L. Freeman dedicated USDA's new computer center in the South Building.

The Center is set up to provide better, faster, and more economical service to data users in the Statistical Reporting Service, which operates the Center, as well as all other USDA agencies, and other Government departments.

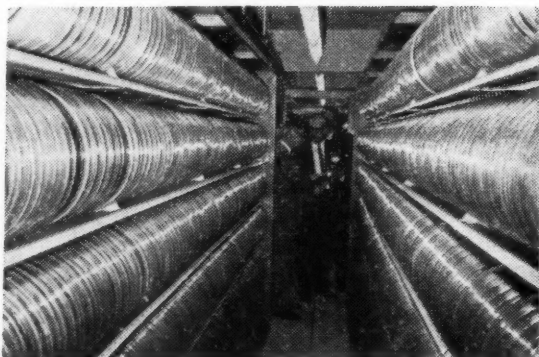
By the end of 1966, the facility should be handling all the data formerly processed by renting time on 11 different computers in 7 separate locations.

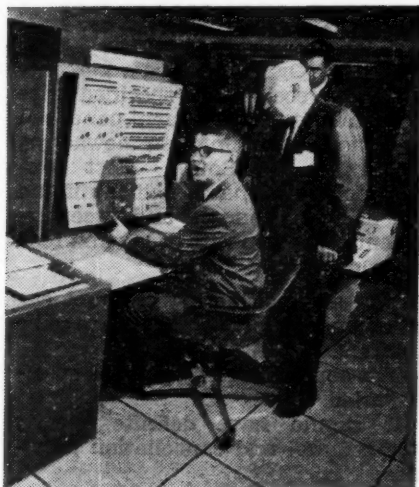
Some of the improved data services are already benefiting farmers and the public. The Center currently handles about 150 jobs a day—projects such as crop estimates, rural telephone rates, and research on wheat movement through marketing channels.



**J. Frank Kendrick, Chief of the Washington Data Processing Center (far left), Secretary Freeman (center), and Harry C. Trelogan, SRS Administrator (far right), officiate at the opening ceremonies.**

Secretary Freeman, Mr. Kendrick, and Rep. Odin Langen (Minn.) inspect the magnetic tape library. The tapes contain data from past crop and livestock reports and other work done by the Center.





**Secretary Freeman and Administrator Trelogan at the console (control panel) for the computer.**

**A disk pack which adds to the memory capacity of the computer.**



**"Away she goes"—the new computer goes into action, speeding the release of crop and livestock reports and the research carried on by many USDA agencies.**



## EGG CONTRACTS . . . POINTS TO WATCH

Traditionally, egg producers have had difficulty securing production credit. One solution they are trying is contract production.

In addition to helping with financing, contracts reduce the poultryman's risk on short-term capital (money for feed, chickens, and other supplies), and provide a steady market for eggs.

Although contracts in the egg business are common, they vary a great deal from area to area and in some instances from producer to producer. The types generally fall into three categories—quality control, package, and contract production.

Under a quality control contract, an egg producer agrees to follow certain practices to maintain quality. In return, the contractor pays the producer a premium price for his eggs.

In a package contract program, the producer buys a specific number of pullets, equipment, housing, and possibly other production inputs from the contractor, or from a supplier working with him. The contractor sells the eggs, then pays the producer.

With the production contract, the contractor owns the birds as well as the other inputs he furnishes—feed, medicine, and the like, depending on the terms of the contract. The producer furnishes labor, housing and other inputs and is paid a certain amount per dozen eggs, per pullet, per week, or

per month. Or he receives a percentage of gross receipts or a specified price per dozen for eggs. Payment per dozen is the most common plan nowadays, especially in the South. Most contracts include a guaranteed minimum payment with bonuses and incentive payments based on rate of lay and feed conversion.

If you are considering contract egg production on your farm, here are some pointers:

- The contract should be for a specified period.

- It should have definite, clearly stated renewal and cancellation provisions.

- Contracting parties should be clearly identified.

- Legal relationships should be spelled out.

- Supplies furnished by each party should be specified.

- The contract should clearly state who will make the management decisions.

- Payment—how much and when—should be explicit.

- Nonconformance should be defined and penalties given for both contractor and grower.

- There should be provision for arbitration.

- The contract should be as brief and simple as possible.

William W. Gallimore  
*Economic Research Service*

## Poultry Income Rises During 1965

Eggs, chickens, and broilers brought farmers incomes totaling \$3,128 million during 1965. This was up from \$2,989 million in 1964. Eggs accounted for 58 percent of the total, broilers 39 percent, and other chickens 3 percent. The breakdown for 1964 was 61 percent, 36 percent, and 3 percent.

Cash receipts from eggs, chickens, and broilers marketed in 1965 came to \$3,052 million, or 98 percent of gross income. The remainder represented the value of poultry products used in households where produced.

Farmers produced 64,588 million eggs in 1965, a new high slightly above 1964.

Producers' incomes totaled \$1,810 million, down \$1 million from the previous year. The average price received was 33.7 cents per dozen compared with 33.8 cents in 1964.

Broiler output set a record high in 1965 with a total of 2,333 million birds—a gain of 8 percent over 1964. This was the 18th year in a row that a new production mark was made. Gross income came to \$1,217 million, also topping all previous records.

The number of chickens other than broilers raised in 1965 was record low.

C. D. Caparoon  
*Statistical Reporting Service*

## Turkey Returns Gained 11 Percent

Turkey producers had it both ways last year. They raised more birds and got higher prices. Result: gross income from turkeys totaled \$417.9 million, up 11 percent from 1964 and a record high for the second year in a row.

The national average price received was 22.2 cents a pound compared with 21.0 cents in 1964. Reduced competition from red meat firmed the turkey prices despite increased turkey output.

Growers raised 104.7 million turkeys last year, 5 percent more than in 1964 and the second largest crop on record. Turkey production totaled 1,896 million pounds, also up 5 percent.

Heavy breed birds grown were 92.8 million compared with 88.2 million the previous year. The heavy breed crop included 47.8 million heavy whites.

## TURKEY CONTRACTS HAVE REGIONAL ACCENT

The trend in the turkey industry is toward more contract production.

Financing and risk-sharing contracts are the two types of contracts generally used. Financing contracts basically extend credit to producers for all or part of the feed and other production supplies. The producer owns the birds, and the loan is usually secured by a chattel mortgage. Risk-sharing contracts transfer all or some of the uncertainty and most of the major decisions from the producer to the contractor. The contractor may agree to assume all or part of a loss on financing or he may guarantee a fixed price per head or per pound. He usually owns the turkeys.

The use of contracting for turkey production varies widely by region. In the Northeast, the industry is still made up primarily of a number of small independent operations producing fresh-killed birds for holiday markets. Contracting is rare except for hatching eggs. Producers or small plants do most of the processing.

Independent growers also produce most of the turkeys in the Central States. Although some use conventional financing, many growers use financing contracts to secure credit from

The number of light breed turkeys raised was 12.0 million, 4 percent more than a year earlier and the most since 1961.

Turkey sales volume rose 5 percent to 103.9 million birds. Growers reported that sales as fryer-roasters accounted for 76 percent of the light breeds, 18 percent of the heavy whites, and less than 1 percent of the other heavies. Pounds of liveweight turkeys sold totaled 1,885 million compared with 1,795 million in 1964.

At the beginning of 1965, there were 4,093,000 turkey breeder hens on farms, 8 percent above a year earlier. Other turkeys on farms (market birds and breeding toms) totaled 2,893,000, up 10 percent.

C. D. Caparoon  
*Statistical Reporting Service*

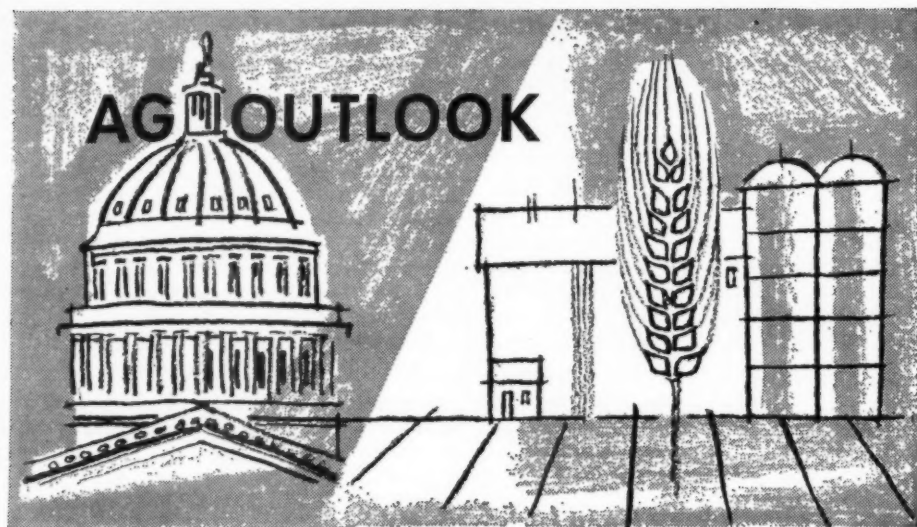
feed companies. Feed firms promote such arrangements for the gain in sales rather than a return on their loans. Risk-sharing contracts are used to some extent in Missouri, Indiana, Michigan, and Ohio.

In the West, risk-sharing contracts are popular, but there are also some large independents. And cooperatives are active in some Western States, especially in processing—and in some instances, in financing producers.

Production in some Southern States, particularly Arkansas and North Carolina, has increased recently. Contracting has been an important factor in these States.

Throughout the Nation, coordination of production and marketing has been growing. For example, advance sale contracts have been used in California and in some South Central States. Under such agreements, a processor may guarantee a certain price for a specified amount of turkey before the birds are grown. Then, a feed company will use the processor's contract as a basis for setting up production contracts with growers.

William W. Gallimore  
*Economic Research Service*



Based on Information Available May 10, 1966

## CATTLE

Fed beef supplies will be up substantially this spring compared with a year earlier. (April 1 cattle on feed numbers were up 13 percent from a year ago; feeders' second quarter marketing intentions were up 12 percent.) Fed cattle prices are likely to decline further before early summer. During April-June, Choice steers (Chicago) may average \$1.50 or more under the first quarter average of \$28. During the summer, marketings probably will be lower than in late spring and prices stronger, averaging around the \$27 of July-September 1965.

## DAIRY

First quarter 1966 milk production was down 5 percent from a year ago due chiefly to heavy culling of cows. Output for the year likely will total about 2 percent below the 125.1 billion pounds in 1965, even though producers' prices for all milk may average 8-9 percent above the \$4.24 per 100 pounds last year.

## POULTRY AND EGGS

Expanding domestic demand, military procurement, and exports have brightened the poultry and egg picture in recent months. Also, poultry meat has had less competition from pork since early 1965. As a result of these developments, demand and prices for poultry and eggs have been strong, encouraging more output. Although demand is expected to continue rising in coming months, the larger supplies will probably face stiffening competition from expanding pork production after midyear. So, poultry and egg prices are likely to slip below year earlier levels later this year.



# CASH RECEIPTS HIGHER LAST YEAR

## Up for Livestock, Steady for Crops

Cash receipts from farm marketings totaled \$38.9 billion in 1965, according to preliminary estimates. This was about \$2 billion higher than in 1964. The average of farm prices received was up 5 percent, while the total volume of marketings was about the same.

Receipts from marketings of livestock and products rose about \$2 billion last year to an estimated \$21.8 billion. Livestock and product prices averaged 11 percent higher, while marketing volume was about unchanged.

Receipts from crop marketings were estimated at \$17.1 billion in 1965, the same as a year earlier. A small decline in the average of prices received for crops offset a slight gain in volume marketed. However, an increase in income-supplementing payments under the Feed Grain, Wheat, and Cotton Programs during 1965 resulted in a gain in total receipts from crops.

Meat animal prices last year were sharply above the relatively low prices in 1964. Prices received by farmers for hogs—up 40 percent—led the rise of about \$700 million in marketing receipts, despite a drop of about 12 percent in volume slaughtered. Cattle prices were 11 percent higher and this combined with a small increase in marketing volume resulted in a gain of \$1.1 billion in cattle and calf receipts.

Receipts from dairy products were up about \$75 million in 1965, due mainly to an increase in the wholesale milk price. Cash receipts from marketings of poultry meat rose by almost \$200 million.

Wheat marketing receipts fell more than \$100 million in 1965 as prices adjusted downward to the reduced loan level. However, almost all this drop in market receipts was made up by income-supplementing payments to growers under the 1965 Wheat Program.

Receipts from marketings of feed crops totaled about the same last year as in 1964. However, payments under the 1965 Feed Grain Program were higher.

Receipts from cotton marketings were down from 1964 due mainly to a slight drop in the loan rate. Receipts for tobacco dropped substantially—the result of greatly reduced planted acreage. Receipts for oil-bearing crops were higher by over \$200 million.

Cash receipts for vegetables were up almost \$400 million from 1964, while those for fruits and nuts were lower by some \$135 million.

Mardy Myers  
*Economic Research Service*

## Fertilizer Use Gaining Steadily

Use of fertilizer in the United States continues to rise. It totaled nearly 30.7 million tons during the year ended June 30, 1964. Included were 29.2 million tons of products containing at least one of the primary nutrients (nitrogen, phosphorus, and potassium) and 1.5 million tons of secondary and trace-nutrient materials.

Most areas of the country showed gains in usage over the previous year. More than half the gain in fertilizers containing primary nutrients was in the combined total for the East and West North Central regions.

Mixtures of more than one primary nutrient, accounting for 18.1 million tons, or 59 percent of total fertilizer tonnage used in 1963-64, increased nearly 5.5 percent. The single most important grade used was 5-10-10 (nearly 7.5 percent of all fertilizer mixtures).

Primary nutrient materials applied directly amounted to 11.1 million tons in 1963-64. Consumption was up 8.6 percent from 1962-63. Most of the gain was in use of chemically produced nitrogen. However, potash use in the East and West North Central regions also rose slightly.

*Statistical Reporting Service*

# CLASS I BASE PLAN

## Could Boost Dairy Returns

Dairymen in areas covered by Federal milk-marketing orders sell their milk via a pooling-system arrangement. Under this system, producers all receive the same blend price for their milk.

A Class I Base program has been studied as a possible alternative to the pooling system. Under this program, a farmer would receive a Class I Base and Class I prices for the part of his production used for fluid products and the manufacturing price for the rest.

To study the impact of such a two-price plan, researchers worked with a sample of farms in southern Maine and southern New Hampshire. Three farms in particular were closely analyzed—one with a limited amount of tillable land, one with a limited supply of labor, and one with limited credit.

The land-restricted farm has only 57 acres of tillable land. When it was surveyed, 29 cows were being milked. The farmer could have been making the most net income under the present pooling system by milking 34 cows. This farm is typical of about 45 percent of the dairy operations studied.

The labor-restricted farm has 140 tillable acres and 33 cows. This farmer was making the most net income possible from his operation. He was doing all the work, so only 3,200 man-hours of labor per year were available. Roughly 34 percent of the farms are like this operation.

The farm with restricted credit has 135 tillable acres. The farmer was milking 30 cows but could have increased his net returns by adding another dozen. His equity in the farm was only \$5,300—the maximum that most lenders would let him borrow. This farm is typical of about 20 percent of those surveyed.

The study evaluates the effect of a Class I Base, two-price plan upon milk sales and incomes for these three farms with bases freely transferable.

Several general conclusions about the alternative milk-pricing plan arose from the study:

—All three farms would have higher net incomes under the Class I Base program.

—Production of Class II (manufacturing) milk under the program would be sharply reduced.

—Milk production under the two-price plan would drop substantially were the base for the area to be strictly limited, making the ownership cost of each farm's base rather high. (Because the base could be transferred from farm to farm, it would acquire a market value and become a fixed cost—like land, taxes, and insurance—to the operation.)

—The effects on sales and incomes would be different for other types of farms. This might hamper the transfer of bases.

—The effects on sales and incomes also would change for farms in different market situations (more or less milk in Class I).

## Coordination Could Cut Costs

Everybody seeks better ways to do his job and boost his efficiency. A recent study of milk handlers in the Pittsburgh market points out an improvement that could be made.

The study shows that the Pittsburgh market could function more efficiently and at less cost if the handlers' reserve fluid milk stocks were reduced by better coordination of the supply.

Handlers in the Pittsburgh area tend to operate pretty much independently. As a result, a larger reserve is needed for each handler to meet his needs than if the milk were centrally coordinated.

When weekly milk receipt volume at the seven plants studied was combined, it fluctuated 21 percent less than when the plants were considered individually. Thus, a central supply could have provided each plant a uniform volume with only 60 percent of the weekly reserves they needed separately.

## DAIRY RECEIPTS UP 1 PERCENT

Farmers' cash receipts from milk and cream totaled \$5.1 billion in 1965, up 1 percent from the previous record high in 1964. Milk and the milk equivalent of cream sold by farmers returned \$4.27 per 100 pounds during 1965 compared with \$4.18 a year earlier. The higher price more than offset a 1.5 percent decline in production.

Cash receipts from milk and cream rose in all farm regions except the West North Central States, where they fell 2 percent. Gains were 3 percent in the South Atlantic and South Central Regions and 1 percent in the North Atlantic, East North Central, and West.

Wisconsin topped all States in cash receipts, accounting for an eighth of the national total. New York was second, followed by California, Minnesota, and Pennsylvania. The leading five States accounted for 43 percent of the national total.

The farm value of milk produced in 1965 came to \$5,343 million compared with \$5,311 million the previous year. Use of milk on farms where produced—at 5,934 million pounds—slipped 8 percent from 1964. This was in line with the annual average decline since 1959. Fluid consumption accounted for 57

percent of the total used on farms. The rest was fed to calves (36 percent) or churned into butter (7 percent).

Cash receipts from whole milk sold to plants and dealers were \$4,819 million, up 1 percent from 1964. Returns from the milkfat in cream totaled \$83 million, down 15 percent. Retail sales returned \$182 million compared with \$185 million a year earlier. Prices received for milk retailed by farmers averaged 22.4 cents per quart, the same as in 1964.

Milk used in the production of factory products accounted for 49.8 percent of the total produced last year compared with 50.8 percent in 1964. This was the first time since 1960 that factory products took less than half the total output. Fluid consumption off farms accounted for about 43 percent of production compared with 42 percent in 1964. Farm uses took 6.8 percent of the total in 1965, 7.1 percent in 1964.

Forty-six percent of the milk used in factory products was made into butter in 1965. Butter's share in 1964 was 48 percent. Twenty-five percent was used for cheese compared with 24 percent in 1964.

K. D. Ackers  
*Statistical Reporting Service*

The nationwide, midyear enumerative survey of the U.S. Department of Agriculture will include visits to over 100,000 scientifically selected farms during the last days of May and the early part of June. The survey will cover farms in each of the 50 States.

The collected data, along with information mailed in by some 110,000 crop reporters, will be used by USDA's Crop Reporting Board to provide measures of agricultural production in 1966.

Operators of the selected farms will be asked about land use, number of planted acres, types of crops, livestock figures, farm labor, and wages.

Visitors  
are coming



# BUTTER, LARD OUTPUT SLIPPING

Butter, lard, cottonseed oil, and soybean oil are the major food fats and oils produced and consumed in the United States. They account for about 90 percent of the annual total. Others include edible beef fats (tallow, oleo stock, oleo oil, and oleo stearine), corn oil, olive oil, peanut oil, safflower oil, and sesame oil.

Food fat and oil use per person has been fairly steady at 46-47 pounds (including the fat content of butter and margarine) annually. Because of this stability, any shortage of one fat or oil requires more of another to meet the demand. In addition, around 150 million more pounds are needed each year just to keep up with the population gain.

Because lard and cottonseed oil are byproducts of hog and cotton production, changes in food fat and oil prices don't have much effect on their supply. On the other hand, butter output is definitely affected by prices for other dairy products and the milk supply. Increasingly, soybean oil has filled the vacuum created by the generally declining production of other food fats and oils.

Domestic soybean oil disappearance has increased from 3.4 billion pounds in 1959 to the 4.4 billion estimated for the current marketing year ending September 30, 1966. During this same period, the combined use of butter and lard has declined from 3.4 billion pounds to an estimated 2.9 billion. Use of cottonseed oil has been fairly steady, averaging 1.4 billion pounds annually.

Butter and lard output have together accounted for about a third of all food fats and oils produced and consumed in recent years. However, starting early in 1965 for lard and about mid-1965 for butter, monthly production of both began dropping sharply. During October 1965-February 1966, output lagged a fourth below year-earlier levels. At first, exports were hardest hit. But especially during the rest of the marketing year, domestic supplies are expected to decline considerably.

Butter has been in short supply largely because of competition from cheese

for the declining milk supply. Hog slaughter also has been dropping, and the continued emphasis on meat-type animals has reduced lard yield.

In contrast to butter and lard, soybean oil production and domestic disappearance during the first 5 months of the marketing year reached record highs, running more than 10 percent above last year. Carryover stocks of soybean oil (crude and refined) last October 1 were lowest since 1960. The current high rate of use may not continue because pipeline supplies of finished products probably have been built up. However, soybean oil will continue to fill the food fat and oil gap.

Based on March 1 intentions, cottonseed oil output in 1966-67 will be down about a fourth from 1965-66.

Because of higher prices and smaller stocks of food fats, USDA purchases for domestic distribution to needy families, schools, and institutions have shifted from lard and butter to shortening and margarine. And on March 25, the Defense Department announced that the Army and Air Force would switch purchases from butter to margarine.

George W. Kromer  
*Economic Research Service*

## FOOD FAT FACTS

Butter, cooking and salad oils, margarine, lard, and shortening. During 1965, civilians in the United States disposed of 9.1 billion pounds of these food fats and oils. This was 2 percent more than in 1964.

Use of food fats and oils per person averaged 47.6 pounds last year, roughly the same as the previous year's postwar record high of 47.5 pounds. Declines in the use of butter and cooking and salad oils more than offset increases for margarine, lard, and shortening.

Retail prices for all food fats and oils products in 1965 averaged 4 percent above 1964 levels.



## Credit Counts

With land prices and the average farm size still rising, credit is becoming an ever more important part of most farm real estate transactions. Farm real estate reporters indicated that 73 percent of all farmland purchased in 1965 involved the use of one or more forms of credit. The average loan amounted to 72 percent of the market price, 6 percentage points above 1961.

Loan size ranged from an average of \$10,000 for commercial banks to \$47,000 for insurance companies. But sellers remained the major source of credit in 1965, accounting for 38 percent of new farm real estate loans and 44 percent of their value. Although commercial banks held nearly a fifth of the loans, they provided only 9 percent of the total value.

## VO-AG FOR YOUR BOY? Think It Over Together

Is your son approaching high school age? If he's like most young fellows, he's beginning to think about his future and what courses he'll need in high school to prepare himself.

Many boys about to enter high school in rural areas almost automatically sign up for vocational agriculture classes. Often, they don't think about their chances of actually farming after they graduate. And some rural high schools don't offer any alternative vocational courses either.

Until 1963, vocational agriculture programs receiving Federal financial support were legally required to provide only farm training. Since then, the scope of such programs has been broadened, but some rural schools still lack facilities for other kinds of training.

Despite the long-term decline in the number of farms, vocational agriculture enrollment continues to climb. Twenty-seven States accounted for about 88 percent of total vo-ag enrollment in 1950 and 1960. The increase in enrollment in these States was about 70 percent greater than the gain in the number of rural youth 14-17 years old.

But to really get down to brass tacks—in 1950 there were 449 vo-ag students for every 100 opportunities to replace farmers 55 years old and over operating adequate-size farms (those with annual sales of \$6,000 or more). By 1960, this ratio had increased to 676 youths per 100 opportunities (and an adequate farm was grossing at least \$10,000 annually).

Enrollment in vocational agriculture and the number of commercial farms didn't appear to be related in either year. However, the student-to-oppor-

tunity ratios varied a lot from region to region. The 1960 ratio ranged from less than 2 to 1 in Iowa and Kansas to over 20 to 1 in North Carolina, South Carolina, Alabama, and Louisiana. The high ratios in the Southern States were due more to a rising rate of enrollment than to an increase in the number of rural youth. Oklahoma was an even more unusual case, with a 77 percent *gain* in enrollment and a 13 percent *decline* in the 14-17 age group. This resulted in nearly twice as many students per opening in 1960 as in 1950.

In fact, the ratio of students to farming opportunities was less favorable in 1960 than in 1950 in 21 of the 27 States. But even in the 6 improved States, ratios of 13 to 1 (as in Arkansas) or 20 to 1 (as in South Carolina) are hardly favorable to the boys concerned.

Some boys who hope to farm might plan on combining a small-scale operation with off-farm work or becoming an adequately paid farm laborer. However, adding these possibilities to the prospective openings for fulltime farming in most States didn't improve the ratios substantially. The only exceptions were in high-wage States where agriculture needs a lot of labor per unit of production—California, Washington, and Florida—or where industrial jobs are widely scattered—Ohio, Indiana, Michigan. But opportunities to combine off-farm work with farming did increase from 1950 to 1960 compared with chances of operating an adequate-size farm.

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Welfare Administration, HEW  
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## MEET THE STATE STATISTICIAN . . .



## CLEM HELTEMES

in-charge post in North Dakota. So, on August 19, 1946, he officially took over duties in the Fargo office. Clem will mark 20 years in charge in North Dakota this year, a record for length of service in that location, and second place for length of service as a statistician-in-charge.

Clem has an ideal background for dealing with dairy and grain statistics. He was born on a dairy-grain farm in Benton County, Minn. (He admits it happened November 20, 1900.) In 1910, Clem's folks bought another farm near Sauk Rapids and moved their five girls and six boys there.

After high school, Clem taught in a one-room school for a year to raise money for college. Then he put in a year at Montana Normal School in Dillon and 2 years at St. Cloud State Teachers College in Minnesota.

In 1924, Clem went back to teaching in Montana to raise enough cash to finish his education. With the help of some correspondence courses, he was able to graduate from the University of Montana in June 1927 with a degree in business administration and economics.

But graduation from college in those days was no assurance of a job. With his background in education, Clem found a position as a grade school principal in Montana. Two years later, he became principal of the county high school in the same town. But when the opportunity to put his farm background and his training in statistics to good use came along in 1934, Clem entered Government service.

Clem met his match in Helena, Mont., in 1927. They now boast 3 children—2 boys and a girl—and 11 grandchildren. Clem says they're scattered all the way from Phoenix, Ariz., to Rockville, Md.

September 27, 1966, will mark an important anniversary for C. J. Heltemes, statistician-in-charge of the North Dakota SRS office. On that date, he will have completed 33 years of service with the USDA.

Clem Heltemes first entered Government service with the Corn-Hog Program at Brookings, S. Dak., as a supervisor of county tabulators. A little over a year later, he was transferred to Portland, Oreg., to do the same job there. Then in October 1935, Clem was called to Washington, D.C., to help write the 1936-37 Corn-Hog Program instructions. Within 2 months, he was appointed the Corn-Hog Administration's technical representative for the 17 Western States.

When the Supreme Court ruled out the Agricultural Adjustment Act on January 6, 1936, Clem was in Denver conducting a regional training session. Since he had not been officially transferred to the AAA, he returned to agricultural estimates work in Portland, Oreg., where he remained until November 1943.

Then orders came for Clem to go to Washington, D.C., for assignment in dairy statistics work. He was there a year when placed in charge of the Chicago regional dairy office. After 2 years, Clem was offered the statistician-

## COLD STORAGE . . . REGIONAL READING

May 1966

### In This Issue

Keeping some farm products, largely fruits and vegetables, meats and poultry, in cold storage is very important in stretching the marketing season when they are available and in leveling out periods of large or small supplies. SRS collects cold storage data by regions from public, private, and semiprivate warehouses for publication each month and annually. Here are some of the details from the 1965 summary:

**New England.** One of the major storage centers for plastic cream (concentrated to over 75 percent butterfat for ice cream manufacturers and the like) and roaster chickens.

**Middle Atlantic.** Out in front with inventories of fresh celery, fluid cream, bulk condensed milk, frozen apples and grapes, ducks, frozen lamb and mutton.

**East North Central.** Creamery butter, American cheese, swiss cheese, shell eggs, frozen blueberries, cherries, and black raspberries, frozen pork picnics, hams, bellies, and butts.

**West North Central.** Evaporated and condensed milk by the case, frozen eggs, turkeys, frozen pork loins, jowls, spare-ribs, trimmings, canned hams and other canned meats, and dry salt pork.

**South Atlantic.** In-shell and shelled peanuts, broilers or fryers, fowls, and frozen orange juice.

**Mountain.** Frozen french fries.

**Pacific.** Fresh apples, pears, and grapes, onions, shelled nuts other than peanuts, frozen apricots, blackberries, boysenberries, peaches, red raspberries, and strawberries, frozen vegetables (asparagus, fordhook lima beans, baby lima beans, snap beans, broccoli, brussels sprouts, carrots, cauliflower, sweet corn, spinach, green peas, peas and carrots, and mixed vegetables), frozen beef, and cured and smoked beef.

Nationally, peak end-of-month storage for some products were: Fresh apples, October; creamery butter, July; frozen eggs, August; all poultry meat, October; red meats, January.

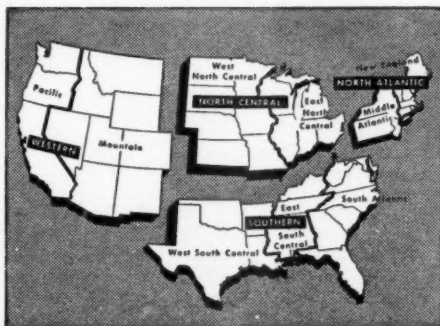
M. R. Banks  
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